



Brownfields Cleanup Revolving Loan Fund Pilot

Lawrence, MA

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

The City of Lawrence was established in the mid-nineteenth century as an industrial center for textile production. Since World War II, the City's economy has been in decline. Most of the textile manufacturers have shut down. While some have been replaced with other industries, the decline in manufacturing over the last fifty years has led to underutilization, decay, and abandonment of many buildings. Historically, the City has been the site of junkyards, scrap metal facilities, and auto repair garages, all of which contributed to current contamination problems. The City's per capita income in 1989 was only 56.2 percent of the state average. The 1990 poverty rate of 27.8 percent made Lawrence the 23rd poorest city in the U.S. with a population greater than 50,000.

BCRLF OBJECTIVES

The City's BCRLF pilot intends to help cleanup and revitalize existing industrial space. Through these activities, the pilot anticipates an expansion of the tax base and elimination of blight. The BCRLF will also provide an alternative to the development of greenfields. The pilot has identified two potential BCRLF borrowers with which the City's Office of Planning and Development is currently working. Several other

PILOT SNAPSHOT



Lawrence, Massachusetts

Date of Announcement:
May 25, 1999

Amount: \$500,000

BCRLF Target Area:
Brownfields throughout the
City of Lawrence

Contacts:

Office of Planning and
Development
(978) 794-5891

Region 1 Brownfields
Coordinator
(617) 918-1209

Visit the EPA Region 1 Brownfields web site at:
www.epa.gov/region01/remed/brnflid/

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

properties also have been identified as potential candidates through the City's Brownfields Assessment Pilot.

FUND STRUCTURE AND OPERATIONS

The City's Office of Planning and Development will serve as lead agency. To obtain assistance in carrying out its site management responsibilities, the City plans to enter into an intergovernmental agreement with the Massachusetts Department of Environmental Protection. The Office of Economic Development will serve as fund manager. The BCRLF will operate in conjunction with the Small Business RLF, also managed by the Office of Economic Development.

LEVERAGING

The \$500,000 BCRLF pilot funding will be combined with \$500,000 in both Community Development Block Grant funds and US Housing and Urban Development Section 108 loans, bringing the entire budget to \$1.5 million over five years. In-kind services related to the general economic development activities will be provided by the City. Other potential sources of funds for cleanup include the Massachusetts Development Finance Agency, the Economic Development Administration, and private funding through the Quadrant Group. The Small Business RLF is often used in conjunction with other redevelopment loans from the Massachusetts Development Finance Agency, the Merrimack Valley Small Business Development Loan Program, and commercial lenders. Additionally, Lawrence is a state-designated Economic Target Area, which allows the City to offer special tax assessments, tax increment financing, enhanced investment tax credits, and tax credits for the redevelopment of abandoned mill properties.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
